



ECONOMIC IMPACT OF THE SAN ANTONIO AIRPORT SYSTEM MAY 2012 STAKEHOLDER SUMMARY



"San Antonio's Airport System is vitally important to our area's economic growth and prosperity. The Airport System offers a customer friendly gateway from Central and South Texas to all U.S. airport hubs and multiple Mexico destinations for convenient business and leisure travel."

-- Julián Castro, Mayor of San Antonio

Aviation has played an important role in San Antonio's history. The City has nourished civil aviation pioneers, played host to centers of military aviation and aviation training during wartime, and now hosts world class providers of aerospace manufacturing, maintenance and airline services. The airports are an essential part of this aviation heritage, linking San Antonio to the world.

The operations of the airport system have significant economic effects throughout the San Antonio region. Some of these are direct economic impacts that involve airport services provided directly for airport users and passengers. Other impacts are indirect effects, which arise from spending in the San Antonio region by visitors who have flown here for personal or business reasons. This spending on lodging, dining and other travel activities becomes earnings for those employed in the tourism and entertainment sectors.

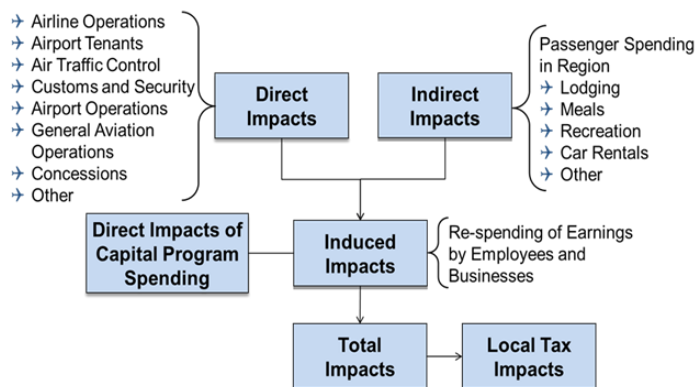
Additional regional economic impacts of the airport system are induced when airport employees and tourism and entertainment workers spend these earnings, and those dollars are re-spent in the local economy, supporting companies and jobs in the San Antonio region. This regional spending also contributes to state and local tax coffers.

An approach to classifying these aviation system economic impacts is shown below.



SAN ANTONIO AND ITS AIRPORTS

A Framework for Analyzing Economic Impacts of the San Antonio Airport System



The San Antonio Airport System constitutes a significant economic community on its own. Multiple organizations and businesses play roles in the system's airports by providing jobs, earnings and economic activity that all contribute to the regional economy. These businesses and jobs call on the full range of skills and specializations that make up the modern civil aviation industry, from operating aircraft to servicing aviation operations and equipment to offering services to passengers and shippers at the airport.



The table below reports the level of employment and direct economic impact for the major categories of airport employment at the two San Antonio Airport System airports in 2011. Government activities include federal and city employees.

Reflecting San Antonio's growing aerospace industry, aircraft maintenance and repair makes up the largest share of impacts, followed by fixed base operations (FBOs, which provide fuel and other support for private aircraft), government operations and airline operations. Annual expenditures by the airport system on infrastructure and other investments in the airports, based on the SAAS Capital Improvement Plan (CIP), also lead to direct economic impacts for the airports.

THE SAN ANTONIO AIRPORT SYSTEM



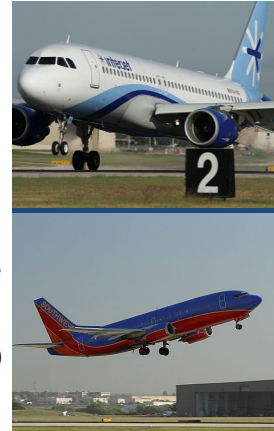
2011 Direct Economic Impacts of On-Airport Activities

	Employment	Earnings (\$Mil)	Output (\$Mil)
Repair and Maintenance	1,524	\$74.0	\$229.9
FBOs	725	\$35.2	\$109.4
Government	713	\$38.7	\$86.6
Airlines	704	\$37.9	\$210.8
SAAS—CIP	549	\$28.7	\$69.5
Concessions	522	\$6.6	\$27.9
Air Freight	475	\$26.5	\$192.2
Other	841	\$43.3	\$157.4
Total Direct	6,053	\$290.9	\$1,083.7

San Antonio International Airport (SAT) is San Antonio's commercial airport. Its operations serve the vast majority of the region's aviation traffic and nearly all system related economic activity in the region originates at SAT.

The airport is host to over 15 domestic and international airlines and numerous charter airlines. In 2011, they boarded over four million passengers. More than 133,000 tons of air cargo and mail were handled at SAT that year. The airport also serves the corporate and personal general aviation community. While these flights involve smaller aircraft than do commercial flights, the businesses that support these general aviation airport users account for a significant proportion of the airport's direct economic activity. In 2011, SAT handled over 95,000 commercial passenger and cargo airline landings and takeoffs, and more than 77,000 air taxi and general aviation landings and takeoffs.

In 2011, SAT passenger, air cargo and general aviation operations led to over \$5 billion in regional economic output. This economic activity supported over 97,500 jobs and provided nearly \$1.6 billion in annual earnings for workers and proprietors. Spending by visitors to the San Antonio region who arrived by air supported nearly 15,000 area jobs with earnings of nearly \$275 million.

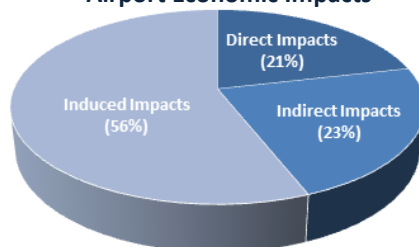


SAN ANTONIO INTERNATIONAL AIRPORT

**2011 Economic Impacts of
San Antonio International Airport**

	Employment	Earnings (\$Mil)	Output (\$Mil)
Direct Impacts	5,979	\$287.1	\$1,072.6
Indirect Impacts	14,973	\$274.7	\$1,132.7
Induced Impacts	76,637	\$1,014.3	\$2,806.5
Total Impacts	97,589	\$1,576.1	\$5,011.8

**Distribution of San Antonio International
Airport Economic Impacts**



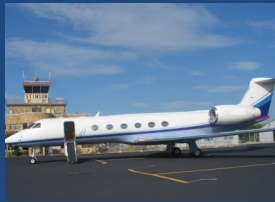
Stinson Municipal Airport (SSF) is a general aviation reliever airport with a place in aviation history for San Antonio and the nation.

Established in 1915 as the “Stinson School of Flying,” SSF is the nation’s second oldest general aviation airport in continuous operation. During World War I aviation was limited to military uses, but after the war the airport was returned to the City of San Antonio. In the 1930s Stinson boomed as it served the nascent airline industry that was linking the nation by air. In the 1940s, Stinson was again used for military training, then returned to the City. Its historic terminal, built by the WPA, has been renovated for office and administrative uses.



SSF remains an active airport, serving 150,000 landings and takeoffs annually. It is used by flight schools, general aviation service providers, police and state aviation units, local media and the Texas Wing of the Civil Air Patrol. In 2011 the airport’s diverse activity led to economic impacts totaling \$63 million in regional economic output. More than 1,000 jobs were supported, including 74 airport jobs. These jobs provided regional earnings of over \$20 million.

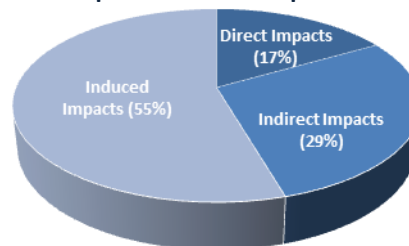
STINSON MUNICIPAL AIRPORT



2011 Economic Impacts of Stinson Municipal Airport

	Employment	Earnings (\$Mil)	Output (\$Mil)
Direct Impacts	74	\$3.7	\$11.1
Indirect Impacts	260	\$4.7	\$19.0
Induced Impacts	753	\$14.0	\$36.2
Total Impacts	1,087	\$22.4	\$66.3

Distribution of Stinson Municipal Airport Economic Impacts



As San Antonio grows, the capabilities and capacity of the region's airport system must also grow to meet business and leisure air travel needs. Expenditures planned as part of the SAAS Capital Improvement Plan (CIP) respond to those future requirements. Fulfilling the CIP will direct funds to professional, technical and construction businesses in the region.

This spending averages \$62 million annually over the next five years. As the CIP enhances the airport system's value to the communities it serves, the capital improvement spending will also generate direct and induced economic impacts throughout the region. These total economic impacts are reported below.

2011 Economic Impacts of SAAS Annual Capital Improvement Plan Spending

	Employment	Earnings (\$Mil)	Output (\$Mil)
San Antonio International	1,160	\$52.2	\$149.8
Stinson Municipal	25	\$38.7	\$86.6
Total SAAS	1,185	\$53.4	\$183.2



SAAS CAPITAL IMPROVEMENT AND LOCAL TAX IMPACTS

Regional transactions that occur because of the SAAS economic engine also result in state and local tax collections. In 2011, SAAS-driven economic activity is estimated to have generated over \$150 million in state and nearly \$75 million in local sales taxes and local hotel taxes. The lion's share of these state and local tax revenues is due to the taxable spending of business and leisure visitors who travel to the San Antonio region by air.

State and Local Taxes Generated by 2011 SAAS Economic Activity

	State Taxes (\$Mil)	Local Taxes (\$Mil)	Total Taxes (\$Mil)
San Antonio International	\$150.4	\$71.7	\$222.1
Stinson Municipal	\$3.2	\$1.5	\$4.7
Total SAAS	\$153.6	\$73.1	\$226.8



San Antonio has grown in popularity with leisure travelers, convention organizers and business travelers, due to its cultural attractions, world class dining and hospitality. Spending by visitors to the region who travel by air represents the indirect economic impact of the airport system on the San Antonio region. Visitor spending supports workers and businesses in the travel and tourism sector of the regional economy.

In 2011, over 15,000 jobs were supported by air visitor spending, providing earnings of nearly \$280 million and generating output in the region of over \$1.1 billion. These indirect impacts, reported below, do not include the induced economic impacts resulting when these travel industry earnings are spent and re-spent throughout the region. Based on survey data from the San Antonio Convention and Visitors Bureau, travelers to San Antonio spend most of their travel budgets on lodging and dining, with smaller shares going to entertainment, transportation and shopping.

Growing numbers of San Antonio air visitors are international travelers, primarily visitors from Mexico, who arrive on both commercial and private aircraft. Long a draw for Mexican families, San Antonio's shopping and leisure/entertainment attractions continue to top the list of primary trip purposes.



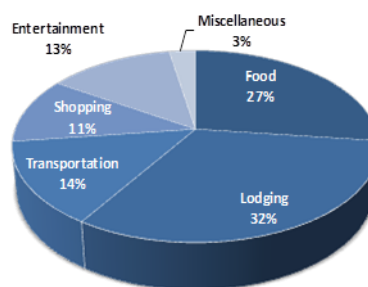
CONVENTIONS, TOURISM AND VISITOR SPENDING



Indirect Economic Impacts of 2011 Air Visitor Spending

	Employment	Earnings (\$Mil)	Output (\$Mil)
San Antonio International	14,973	\$274.7	\$1,132.7
Stinson Municipal	260	\$4.7	\$19.0
Total	15,233	\$279.4	\$1,151.7

Spending Patterns of San Antonio Air Visitors



Source: San Antonio Convention and Visitors Bureau



ECONOMIC IMPACT OF THE SAN ANTONIO AIRPORT SYSTEM

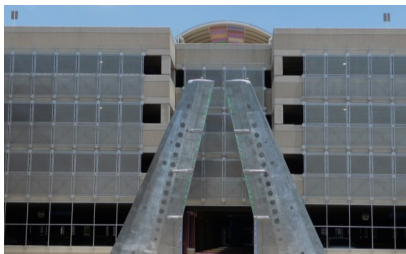
Highlights of the San Antonio Airport System Economic Impact Study:

- ◇ Overall economic impact is nearly \$5.1 billion in regional economic output, made up of an estimated \$2.23 billion in direct and indirect impacts, combined with \$2.84 billion in induced impacts.
- ◇ Earnings in the San Antonio region total almost \$1.6 billion.
- ◇ The airport system supports almost 99,000 jobs in the region.
- ◇ More than 8 million passengers are served at SAT by more than 15 domestic and international airlines.
- ◇ Based on FAA projections for growth, by 2021 the total economic impact of SAAS will grow to more than 106,000 jobs, with earnings exceeding \$1.7 billion, and over \$5.5 billion in inflation-adjusted economic output.

Total 2011 Economic Impacts of the San Antonio Airport System

	Employment	Earnings (\$Mil)	Output (\$Mil)
Direct Impacts	6,053	\$290.9	\$1,083.7
Indirect Impacts	15,233	\$279.4	\$1,151.7
Induced Impacts	77,390	\$1,028.3	\$2,842.7
Total Impacts	98,676	\$1,598.5	\$5,078.1

Download the full San Antonio Airport System Economic Impact Report at www.sanantonio-airport.com



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Prepared by
 GRA, Incorporated
 115 West Avenue #201
 Jenkintown, PA 19046
 (215) 884-7500